DOCUMENT RESUME

ED 186 647 CE 024 931

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TITLE Pre-Retirement Rehearsal Project: Money to Retire On.
INSTITUTION Lancaster-Lebanon Intermediate Unit 13, Lancaster, Pa.
SPONS AGENCY Office of Education (DHEW), Washington, D.C.; Pennsylvania State Dept. of Education, Harrisburg.
PUB DATE [78]
NOTE 36p.; For related documents see CE 024 925-932.

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Adult Education; *Budgeting; Costs; Income; Instructional Materials; Insurance; Investment; Middle Aged Adults; *Money Management; Older Adults; *Planning; *Reading Difficulties; *Retirement; *Retirement Benefits; Taxes; Teaching Guides; Veterans
IDENTIFIERS Preretirement Programs; Social Security Benefits

ABSTRACT

This sixth in a series of six packages of instructional materials developed by the Pre-Retirement Rehearsal Project contains a student's pre-retirement booklet specifically intended for adults with limited reading ability and teacher's guide, which consider financial planning for retirement, including such topics as types of income, Social Security, pension, or profit sharing benefits, and Veterans benefits; financial management, including budgeting; investments; life insurance and annuities; and taxes. The student booklet contains informative materials, an outline for financial planning, cost of living chart to complete, checklist for planning for financial security in retirement, a quiz on the material covered, and list of suggested readings. The teacher's guide suggests how to present instruction and provides five formats from which the teacher may choose. (The other five packages of materials, the final report of the project that developed the materials, and bibliography are available separately. See Note.) (YLB)

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Money To Retire On

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PRE-RETIREMENT REHEARSAL PROJECT MRS. SHERRY ROYCE, DIRECTOR
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CE 024 931

"Money To Retire On" is a product of Lancaster-Lebanon I.U.13 Adult Education Pre-retirement Program. This project is supported in whole or in part by the U.S. Office of Education, Department of Health, Education and Welfare and the Pennsylvania Department of Education. However, the opinions expressed herein do not necessarily reflect the position or policy of the U.S. Office of Education or the Pennsylvania Department of Education, and no official endorsement should be inferred.

MONEY TO RETIRE ON

One important factor in enjoying your later years will be financial security -- having enough money to live comfortably on. What is "comfortably"? Naturally each person has his own definition of the word. For some, it is having enough money to meet expenses for medical bills, housing and utilities, food, and clothing. For others, "comfortably" is being able to live free of financial worry. And still others look upon it as the sugar that sweetens life and makes it possible to enjoy little treats such as travel, a dinner out, or a little gift for someone special.

Whatever your definition, your "comfortable" retirement won't just happen unless you make it happen.

Well, for starters, you can set some goals.
Decide now the kind of retirement you would like to have.

WHAT WILL BE COMFORTABLE FOR YOU?

_____

_____

_____

HOW CAN YOU MAKE IT HAPPEN?

Let's take a look at just how much money you will have to live on in retirement. If you're like most people, you will probably need to do some advance planning.

HERE'S A SUGGESTED OUTLINE:

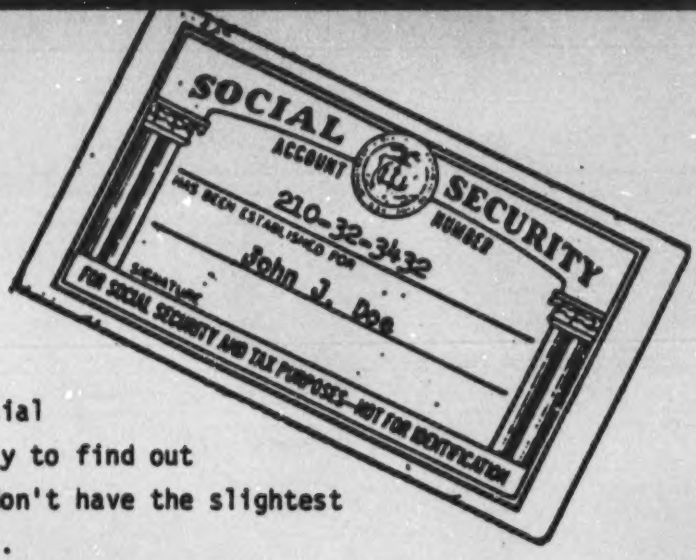
SOCIAL SECURITY..... $_____
(you and your spouse)

COMPANY PENSION..... $_____
such as
Federal Civil Service
Railroad retirement
State or local govt.

VETERAN'S PENSION..... $_____

SAVINGS AND OTHER..... $_____
INVESTMENTS

TOTAL..... _____



SOCIAL SECURITY

Many people take Social Security for granted--only to find out at retirement that they don't have the slightest idea how the system works.

It is very simple. During working years, you, your employer, and the self-employed pay contributions into Social Security. This money is pooled into four special trust funds: RETIREMENT AND SURVIVORS, DISABILITY, MEDICARE-HOSPITAL INSURANCE, AND MEDICARE-VOLUNTARY MEDICAL INSURANCE.

It is a pay-as-you-go system. The money you pay in today does not stay in the fund for your use later; instead, it is used to pay benefits for those who are collecting now. When you are ready to collect benefits, the law provides that future workers will pay in for you.

Social Security Retirement: HOW DO YOU GET IT?

In order to apply for Social Security pension, you must be at least 62 years old, but the earlier you retire, the smaller your monthly check will be. To collect full benefits you must wait until age 65 to apply. The normal procedure is for you to sign up at the Social Security office three months before your planned retirement date. You will need to take with you proof of the following documents:

1. your Social Security card
2. a copy of your birth certificate
3. a copy of your last income tax withholding statement (W-2 form) or federal income tax return

For you and your spouse to apply for benefits, you will need both

Social Security cards, both birth certificates, your W-2 form, and your marriage certificate. If you don't have the right papers, call your Social Security office immediately. They can help.

Social Security: WHO CAN COLLECT?

Before you can get a Social Security retirement check, you need to have credit for a certain amount of work under Social Security.

If you reach 62 in	You need credit for this much work
1978	6 3/4 years
1979	7 "
1980	7 1/4 "
1981	7 1/2 "
1983	8 "
1987	9 "
1991	10 "

No one ever needs more than 10 years of work. Your retirement check is then based on your average earnings over a period of years. If your spouse has never worked outside the home, he or she at age 62 or older may also collect monthly benefits based on your earnings record. Generally, your spouse will collect one half of your total monthly benefit.

The Social Security booklet, "Estimating Your Social Security Retirement Check" will help you figure out what to expect.

Social Security: HOW CAN YOU PLAN?

Social Security will not solve all your money problems, but it may be a major source of income for you--or your only income if you don't plan so while you still have time it is important for you to find out:

1. how many credits you have earned or will have earned at retirement
2. (about) how much your monthly check will be when you do decide to retire

To find out, call or visit your Social Security office and ask for help. You can get a record of the amount of wages you have paid Social Security taxes on by filling out a postcard (form OAR 7004) which requests your computor records. If you are within 10 years of retirement age, your computor print-out will also give you a fair idea of what your monthly benefit check will be at normal retirement age or 65.

When you have an idea of what your check will be, add that amount to your planning chart.

SOCIAL SECURITY..... $ _____
(you and your spouse)

Social Security: IF YOU ARE DISABLED

If you cannot work because of a serious physical or mental problem that is expected to last for a year or longer, you can collect Social Security benefits. To receive benefits you must have worked under Social Security for at least 5 of the 10 years before being disabled.

Social Security: MEDICARE HOSPITAL INSURANCE (PART A)

Even if you don't plan to retire at age 65, you'll want Medicare coverage. To belong to the plan you will need to sign up at the Social Security office three months before you're 65. You'll need your birth certificate and Social Security card to apply. Medicare Hospital Insurance will not cost you anything if you already qualify for Social Security benefits.

Medicare, Part A, does not cover all your hospital and medical expenses. For full coverage, you must be covered by Medicaid or take out a small health insurance policy.

Social Security: MEDICARE, VOLUNTARY MEDICAL INSURANCE (PART B)

Medicare, Voluntary Medical Insurance Part B, protects you against the costs of most doctor's services and home health care service. This program is voluntary, that is, you may choose whether or not to belong. If you decide to belong, Part B insurance will cost you a small monthly amount.

Now, what about your pension?

Your Pension: HOW CAN YOU PLAN?

Don't wait until the last minute to get information on your pension retirement benefits. Take the time early to find out just how your plan works and the different ways you might be able to collect benefits. You will have to check with your employer or company personnel office.

These questions might be helpful:

1. What is the normal retirement age where I work?
2. How long must I work before I can collect benefits?
3. What happens if I decide to retire early?
4. What can I expect from my pension plan when I retire--
   How much will my check be?
5. How will I be paid?
   (weekly, monthly, or all at one time)
6. Do I have a choice as to how benefits will be paid if I die?
7. If I die after I retire, will my benefits stop or will they continue to be paid to my spouse?
8. Will my pension go up as the cost of living goes up?

Be sure to ask your employer any other questions that may be unclear to you.

When you have estimated your pension benefits, add this amount to your planning chart.

COMPANY PENSION..... $_____

Veteran's Pension: HOW CAN YOU PLAN?

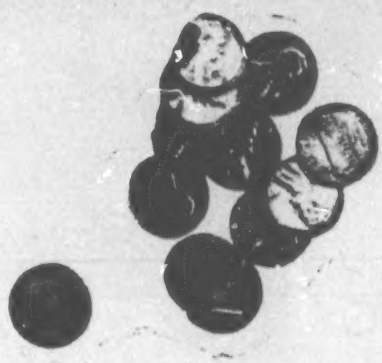
Millions of dollars in veteran's benefits go unclaimed each year because veterans and their families do not realize what they are entitled to. A veteran's pension is usually limited to wartime veterans who have small incomes. To qualify, you must be either permanently or totally disabled either due to a service or non-service injury. Payments are also possible for widows of veterans. If you have any questions about qualifying for benefits, visit your nearest Veterans Administration or any of the service related organizations, such as the V.F.W., American Legion, Jewish War Veterans, or Catholic War Veterans.

Keep in mind also that the government provides a $250 burial expense for any honorably discharged war or peacetime veteran. To receive this benefit, you must apply for it. It is not automatic.

If you qualify for a veteran's pension, add that amount to your planning chart.

VETERAN'S PENSION..... $_____

11



What other sources of income do you have?

Savings Account: HOW CAN YOU PLAN?

If you have a savings account, you receive regular interest on the money that is invested. While the interest may be added automatically to your savings account balance, you should count on it as a "separate" income. It is a separate income because it is an addition to your savings. Add only the interest amount, monthly, to your retirement income chart.

Life Insurance: HOW CAN YOU PLAN?

Chances are you may be or could be receiving regular dividends from your insurance policy. When planning your retirement income, those dividends, however small, may become very important. Where it applies, add the monthly amount to your planning chart.

Investments: HOW CAN YOU PLAN?

Own any stocks or bonds that may also pay dividends? List only the amount of the dividend, as you would want to hold onto the actual stocks or bonds.

Rental Property: HOW CAN YOU PLAN?

If you have regular income coming from a rental property and plan to hold onto the property after your retirement, you should add that monthly rental income to the chart.

List anything else that provides a regular income.

Now it's time to total your projected income. ADD IT UP!

SOCIAL SECURITY..... $_____
(you and your spouse)

COMPANY PENSION..... $_____
such as
Federal Civil Service
Railroad retirement
State or local govt.

VETERAN'S PENSION..... $_____

SAVINGS AND OTHER..... $_____
INVESTMENTS

TOTAL..... $_____

WHAT DO YOU THINK?

Will your total be enough to cover all your bills? Will it give you a "comfortable" retirement?

13

Of course, that's only one side of the picture. You'll also need to know how much you will spend in retirement. And that means a budget.

START with what you spend now and don't be afraid to guess at what you'll spend later. Sure, the cost of living will probably keep going up. That's one of the best reasons why you're planning ahead. What will happen to your "comfortable" retirement when the cost of living goes up and your income doesn't? You guessed it!

So let's get busy. A good guess now is better than not thinking about it at all.

COST OF LIVING

	Now	After Retirement
Rent or housing payments.....	$_____	$_____
Food.....	$_____	$_____
Clothing.....	$_____	$_____
Entertainment and recreation.....	$_____	$_____
Health, doctor & drugs.....	$_____	$_____
Automobile or transportation.....	$_____	$_____
Telephone.....	$_____	$_____
Electricity, fuel oil, etc.....	$_____	$_____
House repair.....	$_____	$_____
Furniture.....	$_____	$_____
Working expenses.....	$_____	$_____
Personal items.....	$_____	$_____
Life insurance.....	$_____	$_____
Other insurance.....	$_____	$_____
Income taxes.....	$_____	$_____
Other taxes.....	$_____	$_____
Other items.....	$_____	$_____
TOTAL MONTHLY EXPENSES.....	$_____	$_____

How does your retirement income match up with your retirement cost of living? Are you satisfied with your future outlook? If the answer is yes, you are on your way to a "comfortable" retirement.

But if your answer is no, what steps could you take now that might improve your chances for a "comfortable" future?

STEP 1

With each paycheck, pay your savings account first, even if it's only a small amount. Your savings plus interest will soon add up.

STEP 2

If it is difficult for you to save, consider automatic payroll deductions. Usually these deductions take the form of Series E Government Savings Bonds. You don't have to report the interest earned until you cash them in.

STEP 3

Figure out what long-term expenses may be paid off by the time you retire; for instance, your house mortgage payments or your car or life insurance policy. These paid-up bills will cut down on your retirement cost of living. Begin to economize.

STEP 4

If your health is good, consider whether late retirement might be to your financial advantage. Or think about a part-time job. Could you turn a hobby into a money-making project? Put some ideas together.

HOW LONG WILL YOUR SAVINGS LAST?

This table shows how much you could withdraw each month from various amounts of savings before your money would be totally gone. Assume the money is in a savings account earning interest at 5-1/4% from day of deposit to day of withdrawal, compounded daily.

amount on deposit	years of monthly withdrawals 5	10	15	20
$ 5,000	$ 95.11	$ 53.84	$ 40.41	$ 33.92
7,500	142.67	80.77	60.61	50.88
10,000	190.22	107.69	80.82	67.85
12,500	237.78	134.62	101.03	84.81
15,000	285.45	161.54	121.23	101.77
17,500	332.89	188.46	141.44	118.73
20,000	380.45	215.39	161.64	135.70
22,500	428.01	242.31	181.85	152.66
25,000	475.56	269.24	202.06	169.62
27,500	523.12	296.16	222.26	186.58
30,000	570.68	323.09	242.47	203.55
32,500	618.24	350.01	262.68	220.51
35,000	665.79	376.93	282.88	237.47
37,500	713.35	403.86	303.09	254.44
40,000	760.91	430.78	323.29	271.40
42,500	808.46	457.71	343.50	288.36
45,000	856.02	484.63	363.71	305.32
47,500	903.58	511.55	383.91	322.29
50,000	951.13	538.48	404.12	339.25

Source: The Bowery Savings Bank, N.Y.C.

POINTS TO KEEP IN MIND!

1. Dont' wait until the last minute to get information about your Social Security or pension retirement benefits.
2. Social Security is not a welfare system - in order to collect benefits, you must have worked and paid into it a certain number of years.
3. You will pay no income taxes on your Social Security benefits.
4. You might consider having your Social Security check sent directly to your bank. This will save you the trouble of having to be home when the check arrives. This service is both easy and safe. The bank charges you no fee.
5. You can work and still collect Social Security benefits if you earn NO MORE than $3,200 a year (at age 62 - 64_ or $4,000 a year (at age 65 and over). At age 72 you may earn any amount of money and collect full Social Security benefits.
6. Medicare benefits do not begin automatically. You must sign up for them at your Social Security office three months before you reach age 65.
7. At age 65 you will automatically qualify for two I.R.S. deductions; in other words, you can then count yourself as two people for income tax credit. This may make your budgeting easier.
8. Always compare your before-and-after retirement income with your before-and-after retirement expenses to see exactly where you stand financially.

"MONEY TO RETIRE ON" CHECKLIST

Check the things you have done. Those items not checked should be reviewed and worked on until all are checked.

_____ 1. I know what my income will be in retirement.
_____ 2. I have estimated what it will cost me to live after retirement.
_____ 3. I have been in touch with my employer about any company pension plan(s).
_____ 4. I have talked to the Social Security Administration about what to do before I retire in order to get my Social Security benefits.
_____ 5. I have located all the documents I need to apply for Social Security benefits.
_____ 6. I am trying to cut down on my living expenses now before I retire.
_____ 7. I am paying any large bills now so as to have them out of the way when I retire.
_____ 8. I have worked out a retirement budget that will keep me within my retirement income.
_____ 9. I am looking over my insurance policies to see they meet my present or future needs.
_____ 10. My spouse and I agree on the family finances now and in retirement.
_____ 11. I have started my own savings plan for retirement.
_____ 12. I know what amount of money I can earn in retirement and still collect Social Security checks.

MONEY TO RETIRE ON

I. MULTIPLE MEANINGS

Read the sentence. Decide what you think the underlined word means. Then refer to the dictionary; select the right meaning for the word as it is used here, and write it in the blank.

Example: We must save money to pay the <u>*utilities*</u> (ū ŭ̄l′ə tēz)

Utilities - service provided for use such as electric, water, and gas and a fee is charged.

1. Each man must set his own <u>goals</u> (gōlz).

2. How does your retirement <u>system</u> (sĭs′təm) work?

3. There are certain papers needed to apply for <u>benefits</u> (bĕn ə fĭts).

4. Interest is added to a savings account <u>balance</u> (băl′əns).

5. It prevents worry if there is enough money to pay the <u>bills</u>.

6. Anyone owning <u>stocks</u> (stŏks) should get dividends.

II. IDIOMS OR SPECIAL MEANINGS

Some groups of words have special meanings not related to the single words of the phrase.

Example: Talk your head off = Talk a lot.

1. Anyone who has a savings account can count on the interest as income.

2. If your spouse (husband or wife) has not worked outside the home, the social security drawn will be half the amount of the one working.

3. Today is the day I will go to sign up for my benefits.

4. A budget gives the maker a fair idea of how much can be spent on each item.

5. A wise investor should hold onto stocks that pay good returns.

6. He has only seen one side of the picture.

7. Small savings add up.

8. Some people don't cash in bonds until long after they mature.

III. CAUSE AND EFFECT

Pairs of statements are given below. One is the cause; one is the effect - that is, one happened first (the cause) and then the other happened as a result (the effect).

Refer to your article for the facts. Mark C or E before each statement in the pair.

Example: E *Be eligible for social security benefits.*
C *Work for 6 3/4 years*

1. ____ Wait until age 65.
   ____ Collect full benefits.

2. ____ Plan your retirement date.
   ____ Sign up three months in advance.

3. ____ Apply for social security.
   ____ Be at least 62 years old.

4. ____ Collect benefits later upon retirement.
   ____ Pay social security taxes now.

5. ____ Take with you three documents.
   ____ Go to the social security office.

IV. CATEGORIZING

Each sentence below describes a situation which could enable a person to collect social security benefits.

From which social security trust fund would each draw? List by number.

Retirement and Survivors	Disability	Medicare Hospital Insurance	Medicare Voluntary Medical Insurance
Example			

Situations:

Example: A husband/father dies; his family collects social security for all children under age 18.

1. You reach age 65 and stop working.

2. Although you are 68 and are not ill, you go to a doctor for regular monthly check ups.

3. Prior to retirement age, you become ill and can probably never return to work.

4. Cataracts need to be removed from your eyes.

5. After the cataract removal, since the doctor does not want you to be at home alone, you spend four weeks in a nursing home.

6. A retired person dies but the living spouse continues to draw social security.

V. DETECTING HOMOPHONES

Words that sound the same but are spelled differently are called homophones.

Select from the pairs below the homophone which belongs in the sentence blank.

you're - your

they're - there - their
we'd - weed
won't - wont

Example: *Your idea of a comfortable retirement may be unlike the idea of someone else.*

1. In order to be eligible for retirement, _____ going to be at least 62 years old.

2. When planning retirement income, many people find _____ assets are many.

3. A comfortable retirement _____happen if it is not planned carefully in advance.

4. _____ are three documents one must have in order to sign up for retirement.

5. Those nearing retirement need to _____ out long term expenses before actual retirement happens.

6. If people foresee enough retirement income, _____ going to enjoy planning for it.

VI. THE FOLLOWING PAIRS OF TERMS HAVE DIFFERENT MEANINGS.

According to the facts of retirement, select the best word of the pair to describe the situation by underlining the word which makes the statement true.

Example - Social security benefits are (automatic, applied for).

1. Social security taxes are based on (projected, real) income.

2. (Short-term, long-term) expenses are undesirable after retirement.

3. Income after retirement is (fixed, fluctuating).

4. Money in the bank is described as (a liability, an asset).

5. A comfortable retirement is most effectively achieved by (present, advance) planning.

6. A person may retire before age 62 if medically the person is (temporarily, permanently) disabled.

VII. COMPUTATIONS:

Cost of living increase is 7% each year.

In 1978-79, your family food budget is $3,000. If your family size remains unchanged, what will you need to budget for:

1980-81?

1981-82?

VIII. Ideas about (1) what we need, (2) what we want and (3) what we can dream of having vary with individuals.

These might be classified as Necessities (1), Luxuries (2), and Extravagances (3).

Make three columns with these headings. Then list items, as you see them, under each heading.

Necessities	Luxuries	Extravagances

After you have made your lists, it might be fun to see how someone else would classify your items.

IX. WRITING FOR INFORMATION

Write a letter for the Social Security booklet "Estimating your Social Security Retirement Check".

Request the computer records of wages on which you have paid social security.

MONEY TO RETIRE ON

Answer Sheet

I. Multiple Meanings:

1. The end toward which effort is directed.
2. An orgainzed set of principles on which operation is based.
3. Financial help in time of sickness, old age or unemployment.
4. The excess amount credited to an account.
5. Itemized account of the cost of goods purchased, services received, etc.
6. Shares of ownership.

Answers will vary but meaning should fit with the context in which the word is used.

II. Idioms or Special Meanings

1. be sure of, depend on
2. been employed for money by an outsider
3. declare eligibility
4. provides an estimate
5. keep
6. viewpoint or aspect
7. accumulate, grow larger
8. exchange for cash

III. Cause and Effect

1.	2.	3.	4.	5.
C	C	E	E	C
E	E	C	C	E

IV. Categorizing

1. Retirement & Survivor
2. Medicare Voluntary Medical Insurance
3. Disability
4. Medicare Hospital Insurance
5. Medicare Voluntary Medical Insurance
6. Retirement & Survivors

V. Detecting Homophones

1. you're 2. their 3. won't 4. there 5. weed 6. they'r

VI. Terms with different meanings

1. real 2. long-term 3. fixed 4. an asset
5. advance 6. permanently

VII. Computations:

1980-81 $3,210.00
1981-82 $3,434.70

VIII. Answers will vary according to personalities.

IX. Writing for Information

Evaluate the format of the business letter.

Pre-teach writing business letters if it is a needed skill.

OTHER READING MATERIAL THAT MAY HELP YOU:

1. "Aim's Guide to Financial Security"
   Action for Independent Maturity
   1909 K Street N.W.
   Washington, DC 20049 20¢ apiece

2. "Back To Work After Retirement"
   Dept. of Labor, Manpower Administration
   Washington, DC Free

3. "Budgeting for the Retired Couple"
   Government Printing Office
   Superintendent of Documents
   U.S. Government Printing Office
   Washington, DC 20402 Publication #093E 35¢ apiece

4. "Your Pension: How to Make Sure You Get It"
   Mayor's Office for Senior Citizens
   City of Chicago
   330 South Wells Street
   Chicago, IL 60606 Free

5. "Your Retirement Money Guide"
   National Association of Retired Persons
   215 Long Beach Blvd.
   Long Beach, CA 90801 20¢ apiece

- 4-VI.

Money To Retire On

LANCASTER-LEBANON INTERMEDIATE UNIT 13, ADULT EDUCATION
PRE-RETIREMENT REHEARSAL PROJECT MRS. SHERRY ROYCE, DIRECTOR
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TEACHERS GUIDE

MONEY TO RETIRE ON *

Finances are a concern to all of us and are a major consideration in the planning for retirement. According to a national survey on retirement planning programs by the United States Civil Service Commission, the session on financial planning is the one that is of most importance to pre-retirees. By placing them in the foreground of your sessions, you will be able to alleviate the fears that most people have regarding sufficient retirement income. At the conclusion of the financial sessions a prospective retiree should be able to determine: vesting qualifications and pension options, whether he/she can opt for early retirement, the costs of retirement living, and the kind of lifestyle he/she can afford.

The economic aspects of retirement consist of 1. the different types of income, Social Security, pension or profit sharing benefits, and Veterans benefits, 2. financial management, including budgeting, 3. investments, 4. life insurance and annuities, and 5. various forms of taxes. To best get at these aspects of retirement, simply pose these questions:

1. Where is the money coming from?
2. How much money do I need?
3. How can I get more security?

You will probably need more than one session to answer these questions. A good idea is to devote one session entirely to the first question, concentrating on the complexities of Social Security and Medicare and another session on question 2 and 3, depending on the needs of your audience. Because of the technical nature of these sessions, the general formats that follow are most closely defined as information formats. Use them independently or in combination with one another as guides to promoting good group discussion.

FORMAT I

A blackboard discussion centered around question number one -- Where is the money coming from? This format should be used only when the moderator is well equipped to answer general questioning that may arise from the presentation or can be supported by a resource consultant. The following outline may be helpful:

*. Reprinted from Pre-Retirement Education Program, Donna Ellenberg

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Sources of Income

A. Social Security
B. Federal Pension Plans
    1. Veterans' Benefits
    2. Civil Service Retirement
    3. Railroad Retirement
C. State and Municipal pension plans
D. Private Pension Plans
   provided by --
    1. employers
    2. labor unions
    3. professional groups
    4. fraternal organizations
    5. individual retirement accounts or Keogh accounts
E. Annuity -- annual allowance or income
F. Savings -- interest only
G. Stocks and Bonds -- dividends or interest only
H. Real Estate -- rental or sale income

Key points to make in this type of a presentation are: 1. vesting rights, 2. pension options, 3. retirement benefits and 4. retirement income estimation.

FORMAT II

Moderator to introduce representative from the Social Security Administration to discuss both Social Security retirement benefits and Medicare. Representative should be well informed as to the number in the group, makeup of participants: male, female and any special concerns they may have. Ask that he bring with him some of the pamphlets that explain and answer many of the questions on Social Security and Medicare. Speaker will probably desire to use a blackboard. Question and answer period should follow each particular

area of presentation.

The following material should be covered during this session:

- . how and when to apply for benefits
- . eligibility for self and dependents
- . documents and proofs needed
- . amount of benefits payable
- . earnings restrictions

FORMAT III

A homogeneous grouping of participants (all retiring from the same company) might require a personnel or union official to explain their particular pension program. Have representative briefed on types of information you would like to have included. If available, distribute a mimeographed outline or booklet covering the provisions of the pension plan and the major benefits.

A discussion on pension benefits might be directed by the following line of questions:

1. When should you start inquiring about your pension?
2. How much will it be?
3. Which of the fringe benefits you now have will carry over into retirement? What about the medical insurance? What about the life insurance? Will you continue to get them, and will they cost you anything?
4. What is Vesting?
5. How many years of continuous service must you have to be eligible for pension benefits?
6. Are pension benefits reduced if you retire early?
7. Do some company pension plans give you options as to how payments are to be made to you?
8. What company or bank will send your pension and provide the other benefits, if any? What address?
9. Is this where you complain if the pension or some other benefits do not arrive on time?

10. When does the first pension check arrive? (one month after retirement? On the first day of the month immediately following retirement? When?)

FORMAT IV

A confidential Financial inventory exercise (this must be done by the participant in advance). A discussion should follow based on budgeting. The purpose of the inventory is to assist individuals in preparing to live on their retirement income by having them compare their current income (that which they now have) with the income they anticipate following retirement. The exercise will force individuals to do some research. It may help them to think more realistically about their living arrangements, their plans for the future and their need, perhaps, to work part-time.

It is just as important to acquire the ability to manage money as it is to acquire the money to manage. A resource consultant in the area of financial management may be used.

See samples on following pages.

YOUR EXPENSES

	Now-Actual	Retirement-Estimate
Housing		
Utilities		
Maintenance		
Life, Car, Health Insur.		
Income Tax		
Real Estate Tax		
Personal Expenditures		
Furniture & Household Goods		
Education		
Savings and Investments		
Food & Supplies		
Clothing		
Entertainment & Recreation		
Auto Repairs & Payments		
Transportation		
Health, Doctor & Drugs		
Donations & Contributions		
Travel		
Supplemental Health Insur.		
Other		

YOUR INCOME

Now-Actual

Wages, Salaries, Commissions _____

Interest on Savings Accounts _____

Interest on Bonds & Stocks _____

Interest on Mortgages _____

Dividends on Stocks, Bonds _____

Life Insurance Benefits _____

Sale of House, Car, etc. _____

Gifts _____

Other Investments _____

YOUR INCOME

Retirement-Estimate

Social Security _____

Medicare _____

Pension _____

Interest on Savings Accounts _____

Interest on Bonds _____

Interest on Mortgages _____

Dividends on Stocks _____

Life Insurance Benefits _____

Occasional Income _____

Sale of House, Car, Etc. _____

Gifts _____

Other Investments _____

FORMAT V

Discussion with the help of resource consultant on question 3. How can I get more security? Resource consultants in the area of investment counselling, banking or insurance might be used. Moderator might lead the resource consultant using the following blackboard outline:

A. Various savings and investment programs
    1. Certificates of Deposit
    2. Bonds: government, municipal and industrial. (Conversion of Series E bonds to Series H bonds)
    3. Stock purchases
B. Bond-a-Matic
C. Annuities
D. Life insurance options
E. Unemployment (if forced retirement)